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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. BOOZMAN).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 6, 2003.

I hereby appoint the Honorable JOHN BOOZMAN to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. PALLONE) for 5 minutes.

REJECT REPUBLICAN TAX PLAN

Mr. PALLONE. Mr. Speaker, I did not think it was possible, but chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS) came up with a worse tax plan than the one that President Bush proposed earlier this year. Neither the President's plan nor the House Republican plan, scheduled to be marked by the Committee on Ways and Means today, will jump-start the economy.

Mr. Speaker, since the President took office, more than 2.7 million pri-

vate sector jobs have been lost, the worst record in 40 years. Any tax cut passed by Congress should be fair, fast-acting and fiscally responsible. The Republican plan fails this test.

Mr. Speaker, the Republican tax plan is simply unfair. The wealthiest Americans will fare better under the Republican tax plan than the President's plan, while middle class Americans, Americans with annual incomes between \$30,000 and \$100,000, will actually receive less under the Republican plan than they would have under the President's plan. According to a report released this week by the Center on Budget and Policy Priorities, households with incomes of more than \$1 million per year would receive an average tax cut this year of \$105,600 under the House Republican plan, and that is \$15,000 more than they would have received under the President's proposal.

Contrast those benefits with the middle fifth of households that will receive an average tax cut of \$218 under the Thomas plan, slightly less than under the Bush plan. And let me reiterate, a millionaire under the Republican plan would see a tax benefit of more than \$105,000, and an American making between \$40,000 and \$50,000 would receive a cut of only \$456.

At a time when we should be doing everything possible to jump-start the economy, the Republican solution centers around tax cuts on dividends and capital gains, two cuts that are targeted towards the wealthiest Americans, and according to economists will not create any new jobs. Do not just take my word for it, consider that more than 400 economists earlier this year said, "The tax cut plan proposed by President Bush is not the answer to the problem." The economists concluded that the permanent dividend tax cut in particular is not credible as a short-term stimulus.

Mr. Speaker, like the Bush economic blueprint, the House GOP plan is fis-

cally irresponsible, saddling our children with debt and hurting long-term economic growth. What a reversal of fortune we have witnessed over the last 2 years. When the Bush administration came into office, there was a projected \$5.6 trillion 10-year surplus. With this tax package, coupled with the huge tax cut in 2001, Republicans will produce a record \$1.4 trillion deficit over the next 10 years. That is a \$7 trillion reversal in our country's fortunes.

Today, based on the tax proposal this House will debate later this week, it is clear the House Republicans have changed their tune. No longer are skyrocketing deficits a concern, this despite the fact that Federal Reserve Chairman Alan Greenspan last week agreed that huge deficits will threaten economic growth. He stated, "If through tax cuts you get significant increases in deficits which induce a rise in long-term interest rates, you will significantly undercut the benefits that would be achieved from any tax cut."

Finally, Mr. Speaker, the Republican tax plan is full of gimmicks designed to hide the true cost to taxpayers. In fact, the only proposals within the Republican plan which are beneficial to America's middle class; that is, the Marriage Penalty Relief and the Child Tax Credit, would expire after 2005. Instead, Republicans would come back and probably extend the benefits which would raise the total cost of the package to at least \$760 billion through 2013. The Washington Post editorial page called these gimmicks "tax cut trickery" just this morning in their editorial.

Mr. Speaker, at a time when our economy needs a true jolt to reverse American's fears of losing their jobs, the Republicans once again plan to give a huge tax cut to the wealthiest Americans. This plan offers very little to families and middle class Americans, and instead saddles them with a

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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